

## DIRECTORS

|                       |                        |
|-----------------------|------------------------|
| *S. E. Beare          | *K. G. Graham          |
| *Grant Horsey         | J. W. Hunter           |
| J. L. Lewtas, Q.C.    | A. J. Lynas            |
| J. A. McCleery F.C.A. | N. C. Morris           |
| *W. G. Reid           | J. F. Robinson, C.B.E. |
| T. L. Robinson        | *V. D. Strickland      |
| R. W. Westrope        | E. H. Young            |

\*Member of the Executive Committee

## OFFICERS

|   |
|---|
| Grant Horsey<br><i>Chairman of the Board</i>  |
| V. D. Strickland<br><i>Vice Chairman of the Board</i><br><i>Chairman of the Executive Committee</i> |
| S. E. Beare<br><i>President</i>   |
| K. G. Graham<br><i>Vice President</i>   |
| A. J. Lynas<br><i>Vice President</i>  |
| N. C. Morris<br><i>Vice President</i>   |
| W. G. Reid<br><i>Vice President</i>   |
| E. H. Young<br><i>Vice President</i>  |
| J. R. Ward<br><i>Secretary and Associate Treasurer</i>  |
| L. B. Zalany<br><i>Associate Treasurer</i>  |

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### E S & A ROBINSON (CANADA) LTD.

laminated and plastic coated — transparent films —  
aluminum foils — specialty papers  
vacuum packaging systems  
bags — aluminum foils, film and specialty paper  
printing — rotogravure, flexography, letterpress,  
lithography  
calendars and advertising specialties



### GLOBE ENVELOPES PRODUCTS LIMITED

Envelopes of all kinds  
commercial  
window  
coin  
catalogue  
booklet  
and Envelope-Type Products



### SELLOTAPE CANADA LIMITED

"Sellotape" brand pressure-sensitive tapes such as  
cellulose, cloth and vinyl, masking, filament, and  
specialized tapes  
"Selloprint" printed pressure-sensitive tapes  
and labels  
"Insil" sealing and gasketing materials.



*Corp  
report*

## INTERIM

## REPORT TO SHARE OWNERS

for six months ended June 30, 1972

*Felt* **DRG LIMITED**  
73 Laird Drive, Toronto

## OPERATING DIVISIONS AND SUBSIDIARIES

E S & A ROBINSON (CANADA) LTD.  
Montreal - Toronto - Winnipeg - Vancouver  
Saint John - Ottawa - Hamilton - London - Calgary

GLOBE ENVELOPES PRODUCTS LIMITED  
Montreal - London - Toronto - Winnipeg - Edmonton  
Ottawa - Hamilton - Regina - Calgary

SELLOTAPE CANADA LIMITED  
Toronto, Montreal and Vancouver

INTERNATIONAL ENVELOPE LIMITED  
Montreal and Quebec City

LEASIDE CALENDAR &  
ADVERTISING SPECIALTY CO.  
Toronto and Montreal

DRECONA INDUSTRIES LIMITED  
Mississauga, Ontario  
(formerly Ercona Adhesives Limited)

GAGE STATIONERY COMPANY  
Toronto and Georgetown, Ontario  
Longueuil, Quebec - Winnipeg and Vancouver



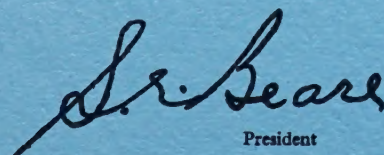
## TO DRG SHARE OWNERS:

The DRG companies can report encouraging progress in the first six months of 1972. After-tax earnings at \$1,240,800 compared with \$1,058,200 for 1971, show an increase of over 17%. Earnings per share at 35¢ compare favourably with 31¢ in 1971.

Each of the five companies contributed to the profit picture, including our two most recent acquisitions, Drecona Industries Limited (formerly Ercona Adhesives Limited) and Gage Stationery Company.

As part of the agreement for acquiring controlling interest in Ercona Adhesives Limited in October, 1971, DRG undertook to change the name of the company. In obtaining approval of the new name — Drecona Industries Limited — we have a name both easy to relate to the former one, and which provides also for possible future additions to the product range as opportunities become available.

At the time of writing, the tone of business is good and we look forward to further progress during the balance of the year.

  
President

August 24, 1972

## DRG LIMITED

and Subsidiary Companies

### INTERIM UNAUDITED CONSOLIDATED STATEMENT OF EARNINGS

|                            |           | Six Months Ended June 30 |            |
|----------------------------|-----------|--------------------------|------------|
|                            |           | 1972                     | 1971       |
|                            |           | \$                       | \$         |
| Net sales                  | - - - - - | 25,833,000               | 21,279,062 |
| Net earnings before taxes  | - - - - - | 2,385,800                | 2,252,200  |
| Provision for income taxes | - - - - - | 1,145,000                | 1,194,000  |
| Net earnings               | - - - - - | 1,240,800                | 1,058,200  |
| Net earnings per share     | - - - - - | .35                      | 31         |

### INTERIM UNAUDITED CONSOLIDATED STATEMENT OF SOURCE AND USE OF FUNDS

|  |           | Six Months Ended June 30 |           |
|--|-----------|--------------------------|-----------|
|  |           | 1972                     | 1971      |
|  |           | \$                       | \$        |
| <b>SOURCE OF FUNDS</b>                     |           |                          |           |
| Net earnings                               | - - - - - | 1,240,800                | 1,058,200 |
| Depreciation and amortization              | - - - - - | 627,900                  | 530,700   |
| Deferred income taxes                      | - - - - - | 22,700                   | (43,000)  |
| Total from operations                      | - - - - - | 1,891,400                | 1,545,900 |
| Issue of capital stock                     | - - - - - | 127,300                  | 14,200    |
| Proceeds of long term loan                 | - - - - - | 1,100,000                |           |
|  |           | 3,118,700                | 1,560,100 |
| <b>USE OF FUNDS:</b>                       |           |                          |           |
| Net expenditures on fixed and other assets | - - - - - | 434,100                  | 297,600   |
| Reduction of long term liabilities         | - - - - - | 100,000                  | 100,000   |
| Dividends                                  | - - - - - | 558,800                  | 412,700   |
|  |           | 1,092,900                | 810,300   |
| <b>INCREASE IN WORKING CAPITAL</b>         | - - - - - | 2,025,800                | 749,800   |

as at June 30

|                                     | 1972       | 1971      |
|-------------------------------------|------------|-----------|
| <b>CONSOLIDATED WORKING CAPITAL</b> | 13,007,900 | 9,935,700 |

Subject to audit and year-end adjustments.  
Earnings per share calculations based on the number of shares outstanding June 30, 1972 reflect the stock split on April 17, 1972.

The above figures for the first 6 months of 1972 include the Gage Stationery business bought on December 31, 1971 and the controlling interest acquired in Ercona Adhesives Limited on October 1, 1971.